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DD/S&T 2751-67

6 July 1967

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MEMORANDUM FOR:

1. I would appreciate your views and guidance in anticipation of a discussion of the proposed functions in the Contract Review Board --- which I assume will occur.

2. The "Proposed Functions of Industrial Contract Security Officers assigned to Directorates exercising Contracting Authority" appear reasonable except that no provision is made to preclude Security Officers from various contracting teams from falling all over each other. Re-inspection seems to be the only item of concern, but Item 15, for example, pertains to establishing security controls for subcontractor employees to whom classified information is given. Thinking about what this could lead to at with Security Officers from both the OEL and ORD groups involved, plus TSD, plus COMMO -- just too horrible. This coordination problem falls across many of the functions listed. The problems which will arise unless some preventive plans are worked out will make the re-inspection business fade to insignificance.

STATINTL

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27 June 1967

SUBJECT : Office of Security Proposed Plan for Implementing
DDS Recommendations concerning the Agency
Procurement System

REFERENCE: Presentation to Contract Review Board by
Director of Security on 15 June 1967.

I PREDICATION

At the referenced presentation, the Director of Security announced the principle that the delegation of contracting authority to the Director of Logistics to the Directorates concerned includes the delegation of contract security authority, and he concluded that the Industrial Contract Security Officers assigned to these Directorates should be responsible for all phases of industrial contract security. By way of exception, he specifically recommended that the reinspection function of contractor facilities be managed and conducted by the Office of Logistics, because the concurrent performance of that function by Security Officers assigned to the Directorates might be impractical.

The Contract Review Board was also advised that the Office of Security will provide the manpower requirements for filling Industrial Contract Security Officer slots but the slots would be provided by the Directorates concerned. The Director of Security advised the Board that the Directorates should attempt to utilize Contract Security Officers as Contract Security Officers and not involve them in Area Security responsibilities in order to fully realize the "team" concept behind the proposed Agency R&D Procurement Program.

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II FUNCTIONS AND RESPONSIBILITIES

A. Directorates exercising Delegated Contracting Authority

Industrial Security Officers assigned to the contracting teams of these Directorates:

1. Will provide support to the Contracting Officer designated Senior member of the Directorate's contracting team.

2. Will be responsible for all phases of industrial contract security from the pre-negotiation of a contract to its completion, with the exception of reinspections of contractor facilities. Specific functions are attached hereto.

B. Office of Logistics

1. In accordance with the Director of Security's recommendation, will manage and conduct a reinspection program of all Agency classified contracts under the jurisdiction of Agency contracting teams.

C. Office of Security

1. At the direct request of Team Industrial Contract Security Officers, will process and issue Industrial Personnel Security Clearances.

2. Will perform as a Coordinator of contractor security information through the Industrial Security Support Division.

3. Will provide uniform policy and technical guidance to Industrial Contract Security Officers assigned to the Directorates.

4. Will insure the application of uniform policy, standards and procedures through unscheduled audits of various aspects of the Industrial Security Program.

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ATTACHMENT

Proposed Functions of Industrial Contract Security Officers
assigned to Directorates exercising Contracting Authority

The proposed functions include:

1. Establish internal procedure requiring Directorate personnel to coordinate with the Security Officer before making contact with an industrial contractor.
2. Request from the Office of Security appropriate personnel clearances or approvals for industrial contractor employees and consultants.
3. Function as the responsible point of contact on industrial matters with Central Cover Staff.
4. Assist technical officers to properly classify their activities and materials.
5. Certify the clearance or approval status of Directorate personnel engaged in industrial matters, giving due consideration to cover and classification.
6. Coordinate security matters of mutual interest with other Agency components.
7. Conduct an appropriate physical security survey of the contractor's facility before any classified materials related to Agency contracts or proposed contracts are stored at the facility.
8. Conduct security briefings and debriefings of approved contractor employees.
9. Establish secure written, telephonic and personal communication procedures between the Agency and the contractor.

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10. Monitor the contractor's security responsiveness.
11. Review the contract document to ensure inclusion therein of appropriate security provisions, and keep abreast of contract amendments.
12. In coordination with contractor management personnel, identify a contractor employee responsible for the security of the contract at the contractor's facility.
13. Establish and monitor procedures for the control and certification of visitors to the contractor.
14. Review, on a continuing basis, the security approval status of contractor employees and assure that significant changes in an individual's biography are forwarded to the Office of Security.
15. Establish security controls for sub-contractor employees to whom classified information is given.
16. Request as appropriate operational support from the Office of Security, e. g., courier support for the shipment of classified hardware.
17. Establish a security reindoctrination program for the other members of the "contracting team".
18. Maintain current and accurate working files on each active contractor with particular emphasis on accurate personnel approval and facility inspection records. Close coordination with the contractor security officer and the Office of Logistics will facilitate the maintenance of good records.

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